

OUTLOOK FOR IRAQ AND U.S. POLICY-HOUSE HEARING

Hearing of the House Foreign Relations Committee

September 10, 2009 Thursday

Chaired by: Representative Howard Berman (D-CA);

Witness: Ambassador Christopher Hill, Permanent U.S. Representative to Iraq;

Location: 2172 Rayburn House Office Building, Washington, D.C.

Time: 10:00 A.M. EDT Date: Thursday, September 10, 2009

Section: Capitol Hill Hearing

Length: 15384 words

REP. BERMAN: The committee will come to order.

First let me indicate that at some point, around 10:30 or 10:40, I'm going to have to leave for a while, and Mr. Ackerman, the vice chair of the committee and chair of the Middle East Subcommittee, will preside during that time.

I also wanted to make clear our committee's policy on handling protests. We have no objection to audience members wearing T-shirts and hats expressing their views. But to maintain order in the hearing room, we request that the audience members do not hold up or wave signs, make gestures to attract attention, stand up and protest, shout or yell their views or otherwise disrupt the hearing. We will ask the Capitol Police to remove anyone from the room who violates this policy. And it is the policy of the Capitol Police to arrest anyone who is ejected from a hearing room.

I will now recognize myself for an opening statement.

Six months ago, President Obama set out his vision and timetable for U.S. involvement in Iraq. Since that time, Christopher Hill, one of our most talented and skilled diplomats, was appointed and confirmed as the U.S. ambassador in Baghdad. We are very pleased to welcome him back to the committee for the first time in his new role and look forward to his assessment of whether the president's vision is taking hold and whether his timetable is on track.

In his February 27 speech at Camp Lejeune, President Obama emphasized that all U.S. combat forces would leave Iraq by the end of August 2010, a little less than one year from now. Under the agreement reached with the Iraqi government in the final weeks of the Bush administration, we

are, in fact, obligated to remove all our forces from Iraq 16 months after that, by the end of 2011.

President Obama also made clear that Iraqis have been given what he called, quote, "a precious opportunity to shape their own future." He emphasized, quoting again here, "the long-term solution in Iraq must be political, not military," and that the most important decisions about Iraq's future must now be made by Iraqis.

2010 will be a milestone year for Iraq as well as the United States. In January, Iraqis will go to the polls to elect a new government. Over the following seven-plus months, our combat forces will depart. We've already withdrawn from Iraqi cities as of June 30th. Based on the most recent figures, we are currently at the pre- surge level of roughly 130,000. Well over half those troops will be withdrawn by this year -- by this time next year.

Mr. Ambassador, we would like to know, will the Iraqi security forces be able to maintain order and protect their borders as the U.S. presence dramatically dwindles? Are the Iraqis ready to step up? More broadly, we'd like to know whether Iraqis are, in fact, seizing the opportunity they've been given.

In his Camp Lejeune speech, President Obama also noted, "Too many fundamental political questions about Iraq's future remain unresolved." Mr. Ambassador, we'd like your assessment whether this remains true today. Do the Iraqis have the political will to maintain national cohesion? Do they share sufficiently a national vision that will sustain peace with their neighbors but independence from the encroachments of neighbors, such as Iran, that would dominate them?

What is the attitude of Iraq's neighbors as we prepare to withdraw? How strong is Iran's influence, and what are Iran's intentions? Is Syria harboring Iraqi Ba'athists who direct acts of terrorism, as Baghdad claims, and still facilitating transit of anti- Iraqi terrorists across its border?

Do we foresee any pitfalls ahead in Turkey's relations with Baghdad, and particularly with Iraqi Kurdistan, which have heretofore developed in a positive direction that would have surprised us just a few years ago? And what sort of relationship should we anticipate with Iraq, politically, economically and militarily, in the wake of our withdrawal?

And are the Iraqis committed to repatriating, in the fairest and most humane way possible, the millions of their citizens who have been internally displaced or made refugees as a result of the war? This last

question reminds us of our own ongoing responsibilities, which are likely to outlast our troop presence.

I want to commend our embassy in Baghdad and the State Department, which, along with the Department of Homeland Security, have launched a rare in-country processing program to help settle Iraqis in the U.S., Iraqis who have helped us and found their lives endangered as a result.

A great deal of the credit for this program belongs to our late and much-missed friend, Senator Ted Kennedy, who first raised alarm bells about Iraqi refugees on Capitol Hill and later used his notable skills as a negotiator to ensure passage of the Iraqi Refugee Act of 2007. We will make sure that the U.S. continues to offer protection to those who have risked their lives on our behalf in Iraq.

Mr. Ambassador, we look forward to your answers to these and other key questions about the future of Iraq and our involvement there.

I now turn to the distinguished ranking member, my friend, Ileana Ros-Lehtinen, for any opening remarks that she might wish to make.

REP. ILEANA ROS-LEHTINEN (R-FL): Thank you so much, Mr. Chairman. Thank you for those remarks and for the opportunity to give my statement. And I also will be following you to our next meeting, unfortunately, off the Hill. So I will ask Mr. Burton if he would be kind enough to step in for me when we depart. Thank you.

So thank you for holding this important hearing, Mr. Chairman. The last time the full committee reviewed U.S. policy toward Iraq, on April 9th, 2008, General Petraeus and former Ambassador Crocker reported that all major violence indicators, such as the number of attacks against U.S. and Iraqi forces and Iraqi civilian deaths, had been reduced to close to the low spring 2003 levels. As a result, the surge was declared as having ended on July 31, 2008.

Among the surge accomplishments, some areas formerly written off as al Qaeda strongholds are experiencing normal life. Similarly, Iran-supported Shi'a militias in Basra, Baghdad and throughout the southern portion of the country were confronted by the Iraq government and U.S. forces in March 2008 and have since seen their capabilities greatly reduced.

Even with great recent gains in security, both al Qaeda and affiliated insurgent groups, as well as some Iranian-supported militias, remain potent threats in Iraq, and there can be no room for complacency. The administration must reinforce a policy which demonstrates that success

in Iraq remains a national priority.

In a speech earlier this year, the president stated that by August 31, 2010, our combat mission in Iraq will end. He also asserted his intention to remove all U.S. troops from Iraq by the end of 2011.

However, the United States strategy must look at more than just when and how quickly U.S. forces should and must be removed. A conditions-based strategy must be developed and implemented to ensure that U.S. strategic interests are preserved beyond the departure of U.S. forces.

The key U.S. mission is to execute a transition over the period up to 2011 and beyond that will create a strong, democratic, independent Iraq that will be a strategic partner in bringing further security and stability to the Gulf.

The U.S. must prepare to make the transition to a civilian lead that is backed by an adequate mix of U.S. resources and capabilities.

One thing is certain: The United States cannot sit idly by and allow the situation in Iraq to determine its own course. U.S. involvement, particularly the role of our diplomats, in shaping and achieving an outcome supportive of our national security priorities is vital.

The U.S. strategy must include a training mission that will help Iraq become truly independent, not only of U.S. forces but in dealing with the ambitions of all of its neighbors. With respect to those neighbors, particularly Iran, I'm concerned about Iraqi actions being undertaken at the behest of the Iranian regime with respect to Ashraf.

And on that issue, Mr. Ambassador, what specific measures have been undertaken in the interim to ensure that the rights of the residents in the camp are being preserved, especially against their involuntary repatriation to Iran? Given the tensions of dozens of Ashraf residents, what is the position of the State Department on this situation? How is the United States protecting Ashraf residents from physical and other harm? And as we can see, we have some folks in the audience who are concerned with that as well.

Mr. Ambassador, these requirements raise the following questions. Does the U.S. have a strategy, an integrated civil-military plan that is operational for overseeing the transition from a Defense Department to a State Department-led mission? How will the State Department take over the lead from the U.S. military? What has the administration identified as the actions to be taken, the resources required, and the estimated benefits, risks and measures of effectiveness for carrying out such a

transition?

While we understand that some of this planning is already underway with the U.S. team in Iraq, could you elaborate on how much of the planning has been completed? What set of contingency plans and options for dealing with serious crises is the State Department developing, particularly as our ability to respond diminishes steadily as our forces drop and Iraqi politics dominate events?

It is my hope that the same successful collaborative relationship that existed between General Petraeus, the different generals and Ambassador Crocker will continue under your leadership, Ambassador Hill. A strong civilian-military relations and a robust civil- military framework are instrumental to achieving success in Iraq.

And Mr. Chairman, it is my sincere hope that this committee will methodically take stock of what has transpired in Iraq since April of 2008. What is the current situation, what our long-term priorities are, and determine the best way forward.

As always, Mr. Chairman, I thank you for your kindness and your generosity and your spirit of bipartisanship in this committee. Thank you, my friend.

REP. BERMAN: Thank you very much, Madame Ranking Member.

And I'm now pleased to recognize for three minutes the chairman of the Middle East and South Asia Subcommittee, Mr. Ackerman.

REP. GARY ACKERMAN (D-NY): Thank you, Mr. Chairman.

And welcome, Ambassador Hill.

Most Americans don't think much about Iraq anymore, not unless they still have family or friends there. But the fact is in Iraq today, there are still close to 130,000 American troops, more than 3,200 other government employees, and almost 34,000 American contractors.

Since 2003, the United States has provided close to \$50 billion in reconstruction assistance to Iraq. And by the end of this year, the United States will probably have spent more than \$700 billion in the war in Iraq.

But more precious still, so far this year another 113 American troops have died in Iraq, bringing the total losses to 4,261. And in the pain of their families and that of their tens of thousands of wounded

comrades, the human cost rises past measurement.

The loss of American lives and expenditures of such colossal sums should attract more public attention, but Iraq is no longer something Americans want to think about. Collectively -- and I include Congress here -- we've disengaged far more rapidly than our troop withdrawal plan suggests and probably much faster than our national security interests should allow.

Just because we've committed to withdrawing our combat brigades by next summer and our advisers and trainers a year later does not mean Iraq is no longer our concern. Truly grave peril awaits us if we should turn our backs on this country, as we chose to ignore Afghanistan and Pakistan following the defeat of the Soviets.

Tomorrow is the eighth anniversary of 9/11. A lesson we should have learned that day is that even if we don't visit bad neighborhoods, they can still visit us. The planet has become a very small place. Because of its size, its resources, its population and location, Iraq is not a nation that we can safely ignore. Neither Iran nor al Qaeda is going to forget about Iraq, and also we too must not forget about Iraq.

Since May, Iraq has suffered from growing violence as the reality of U.S. departures sinks in. The movement of U.S. troops out of Iraqi cities was a day of celebration among Iraqis and a key milestone for ourselves. But that moment was also a signal to all the players in the country and the region that the rules had changed and the future of Iraq was back in play. And not every player wants to see Iraq succeed.

Within the constraint of absolute respect for Iraq's sovereignty and the spirit of partnership, I believe we must maintain, for our own national security interests, an ongoing effort to help Iraq emerge as a truly independent, sovereign state, capable of defending its own borders and maintaining law and order within them. Our troops will be going home, but that does not mean we will be walking away.

Thank you, Mr. Chairman, and I yield back the balance of my time.

REP. BERMAN: Thank you, Mr. Ackerman.

And now I'm pleased to recognize the ranking member of the Middle East and South Asia Subcommittee, Mr. Burton, for three minutes.

REP. DAN BURTON (R-IN): Mr. Chairman, I'd like to have my whole statement submitted for the record and just make a few brief comments.

REP. BERMAN: It will be included.

REP. BURTON: Mr. Chairman, the Iranian government still are involved in Iraq. They have sent explosive form projectiles into Iraq and it was reported -- I think just today, if I'm not mistaken -- that they have found these Iranian produced EFP's in Afghanistan as well and the president's anticipating sending more troops over there and we must stop Iran's involvement in both Iraq and Afghanistan.

And so Mr. Chairman, you know how much I admire you and you know how much I respect you. I respect you so much that I'm cosponsoring your bill called The Iranian Sanctions Act. And we tried to in a number of ways to bring that bill to the floor and you said we had to wait till September.

Well, Mr. Chairman, it's September. And we sure would like to have your bill to the floor and I want you to know I will do everything in my power to work with you to make sure that bill gets passed. And I want to thank the ranking member of the full committee, Ms. Ros-Lehtinen, for her opening remarks, because I think it covered most of the things that we need to discuss today.

But nevertheless, I'm rooting for you, Mr. Chairman! Let's get that bill to the floor. I yield back.

REP. BERMAN: With your support, what could stop us? (Laughter.)

And now, because of the importance of this subject, if there are any other members who wish to speak for one minute, I'm prepared to recognize them.

Mr. -- let's see: Mr. Connolly. The gentleman is recognized for one minute.

REP. GERALD CONNOLLY (D-VA): Mr. Chairman, I have a prepared statement I'll just enter into the record.

I want to welcome the ambassador here today. I had the opportunity to travel to Iraq in February. I'm most eager to hear the ambassador's assessment of the situation in Iraq.

Obviously, things when I was there seemed to have stabilized. Since then, we've seen a number of additional attacks, which raises questions about the stability of the country and the ability of the Iraqi security forces to be able to try to move us toward a more stable situation. So I'm going to be looking forward to Ambassador Hill's assessment of that

situation this morning.

And I thank you, Mr. Chairman, for holding this hearing.

REP. BERMAN: The time for the gentleman has expired.

The gentleman from California, Mr. Rohrabacher.

REP. DANA ROHRABACHER (R-CA): Thank you very much, Mr. Chairman.

There are many of us who supported President Bush when he initiated this action in Iraq. And some of us feel that perhaps that support is something that we now regret, quite frankly.

We have --- the American people have given the Iraqi people a chance. A chance to have a better life, a chance to have a more democratic system, a chance to live in some modicum of freedom and democracy, but we have paid an awful -- a dreadful price to give those people -- those 20 or 30 million people of Iraq this opportunity.

Mr. Chairman, what is most disconcerting about this whole episode in American history is here we've paid the price in blood and treasury, \$1 trillion; but we see so little gratitude from the people of Iraq and now they seem to be giving the economic benefits of a relationship to the communist Chinese --

REP. BERMAN: The time ---

REP. ROHRABACHER: -- doing business with our own ---

REP. BERMAN: The time of the gentleman has expired.

The gentleman from New York, Mr. McMahon.

REP. MICHEAL MCMAHON (D-NY): Thank you, Mr. Chairman.

I too will be brief and submit a more formal statement to the record.

Just to say, Ambassador Hill, what an honor it is to have you with us today. And your longstanding career in the Foreign Service is a tribute to your dedication to this nation. And your experience dealing with difficult regimes, if you will, in the past certainly makes you a wonderful candidate for this post.

I would just like --- I think it's been stated already, but just the concerns that we have about the growing influence of Iran in Iraq. And

if you will speak to that at length. And you know, I think we all believe we have to stand strong against Iran. It poses a major security threat to Israel and to the Sunni Arab-led governments in the region. And I would like to hear your insights on that as you go forward.

And I yield the remainder of my time. Thank you, Mr. Chairman.

REP. BERMAN: The time of the gentleman has expired.

Does anyone on the --- Mr. Poe seeks recognition.

The gentleman from Texas is recognized for one minute.

REP. TED POE (R-TX): Thank you, Mr. Chairman.

I am concerned about Iranian influence in Iraq --- directly and indirectly. The violence they're causing and also the influence on now the Iraqi security forces. Specifically, Camp Ashraf when on July the 28th security forces came into Camp Ashraf, killed 11 people, captured these 36 --- now holding them, even though an Iraqi judge has ordered these individuals to be released two weeks ago. They're still in captivity.

And what obligation --- other than a letter that has been sent by the State Department to the Iraqi government to do the right thing and obey the law that has obviously been filed -- what are we doing to make sure we have the ability to secure the safety of these people -- especially as we turn down or leave the area next year and the year after? We have the moral and the legal obligation to secure the safety of these individuals. What are we doing?

Thank you. I yield back.

REP. BERMAN: The gentleman from Texas, Mr. Green, seeks recognition --

REP. GENE GREEN (R-TX): Mr. Chairman, I'd like to ---

REP. BERMAN: --- and is recognized for one minute.

REP. GREEN: -- place a statement in the record and welcome Ambassador Hill and look forward to your testimony. I yield back.

REP. BERMAN: Anyone else seek recognition on the minority side?

Mr. Scott, the gentleman from Georgia, is recognized for one minute.

REP. DAVID SCOTT (D-GA): Yes, thank you, Mr. Chairman.

Mr. Hill, I think that given what is happening now and with the situation and the relationship that's pending with the border states of Iraq and Syria, with blame being placed on the former Hussein Ba'athists --- a combination of that an al Qaeda Sunnis --- the arguments between now the president of Iraq and the prime minister of Iraq --- all of this spells a formula of imminent disaster.

And in the midst of all of that, the troops --- our troops who were maintaining order and security in the region have left. We've got the issue of the refugees needing protection. So it begs the question: At what point is there a tipping point? Is there any indication where we could get to that point where we alter the schedule of withdrawal of troops in the face of the need to maintain order? Is there that point? Is there that set of circumstances that the president could say, wait a second: We may need to pause; we may need to slow this withdrawal; we may need to keep these troops in to maintain order?

I think that's the fundamental question that we need to examine today as well.

REP. BERMAN: The gentleman from South Carolina, Mr. Inglis, is recognized for one minute.

REP. BOB INGLIS (R-SC): Thank you, Mr. Chairman.

I think others have mentioned this: Mr. Ambassador, we look forward to hearing from you about what's happening at Camp Ashraf. and I just really join in expressing concern about the violation of Geneva Convention and hope that the United States can put appropriate pressure on the Iraqis to act in a humane way and consistent with the conventions. So look forward to hearing from you about that as well as other things.

Thank you, Mr. Chairman.

REP. BERMAN: Thank you. The time of the gentleman is expired.

Does anyone -- the gentleman from California, Mr. Costa, is recognized for one minute.

REP. JIM COSTA (D-CA): Thank you, Mr. Chairman, for this important hearing.

Mr. Ambassador, I obviously --- with the other comments that the members

have made --- I'm interesting in your testimony on those points.

Like others, I have been in Iraq a number of times over recent years. I'm interested in also in your testimony a focus on how well this effort to put together a democracy where it's never existed before is coming together and what your outlook for potential success with future elections?

They haven't made progress yet on a carbon bill that will share the wealth. It seems to me that the success of this government's all about sharing power and sharing the economic wealth. I'd like to know where you think they're going on those points. I look forward to the testimony.

Thank you very much.

REP. BERMAN: The time of the gentleman is expired.

The gentleman from American Samoa, Mr. Faleomavaega, is recognized for one minute.

DEL. ENI F.H. FALEOMAVEAGA (D-AMERICAN SAMOA): Thank you, Mr. Chairman.

I appreciate your leadership in calling this hearing this morning.

And I want to offer my personal welcome to my dear friend and former assistant secretary for East Asian and Pacific Affairs, Chris Hill, and now is our new ambassador to Iraq.

I'm looking for to hearing from Ambassador Hill, as I'm sure we're going to have a very lively discussion on the issue of Iraq.

Thank you, Mr. Chairman.

REP. BERMAN: Thank you. The time of the gentleman has expired.

Seeing no other requests for recognition, I would now like to introduce our witness.

I'd like to again welcome Ambassador Chris Hill --- a career member of the senior Foreign Service and the current U.S. ambassador to Iraq. I've already sung his praises, as have others on his committee.

Here's some supporting evidence:

Ambassador Hill is a familiar face to the committee having testified

previously as assistant secretary of State for East Asian and Pacific Affairs, in which capacity he also was the lead U.S. negotiator at the six-party talks on North Korean nuclear issue immediately prior to his arrival in Baghdad.

Ambassador Hill's also as ambassador --- U.S. ambassador to South Korea, Poland, Macedonia and as special envoy to Kosovo. Earlier in his career he completed tours in Warsaw, Seoul, Tirana and served on the State Department's policy planning staff and as senior director for Southeast European Affairs at the National Security Council.

He has twice received the secretary's Distinguished Service Award, the Department of State's highest reward, for his work in Bosnia and in the Korean Peninsula. He also received the Robert C. Frasure Award for peace negotiations for his work on the Kosovo crisis.

No stranger to Capitol Hill, Ambassador Hill was an American Political Science Association fellow in the office of Steve Solarz some years ago. A graduate of Bowdoin College with a B.A. in economics and a graduate degree from the Naval War College, the ambassador has also served as a Peace Corps volunteer in Cameroon, where I recall reading he helped expose fraud in rural credit unions.

Ambassador Hill, it's yours.

AMB. HILL: Thank you very much, Mr. Chairman.

I have a statement I'd like to submit for the record.

REP. BERMAN: That statement will be included in its entirety.

AMB. HILL: Thank you.

Chairman Berman, members of the committee: I want to thank you very much for the opportunity to speak today about this historic opportunity we have in Iraq as we transition from a military to a civilian-led mission and about our efforts to develop a strong and a long-term normalized relationship with this key country in the Middle East.

This is the start of a 12-month period at the end of which all U.S. combat forces will be withdrawn from Iraq. It's therefore a very critical 12 months. It's the 12 months in which we will have to work very carefully and very closely together to ensure that the gains we've made --- gains, that as a number of you have pointed out, cost us dearly, but gains that nonetheless we can consolidate.

Mr. Chairman, we have a huge interest in capitalizing on the opportunity that Iraq presents. Iraq is at the center of the Middle East. It's bordering key countries like Saudi Arabia, Iran and our NATO ally Turkey. It is where the Sunni world meets the Shi'a world; it's where the Kurdish world meets the Arab world. Indeed, the Iraqi people are also blessed to have some over 100 trillion barrels of oil, making them the third largest oil --- having the third-largest oil reserves in the world.

And for the first time in decades now, Iraq has a real chance to become an engine for regional stability and regional growth, rather than a source of regional tension and dispute.

Mr. Chairman, as we transition to this civilian effort, we look to help foster security through active diplomacy to contain and begin to resolve internal disputes --- that is disputes within Iraq --- and to foster longer-term stability by assisting Iraqis in building a market-oriented economy and a genuinely representative and accountable government. Over time, as our programs make progress on these economic and political goals, we will significantly reduce our civilian presence both in the provinces and at the embassy in Baghdad.

Iran has suffered a series of attacks --- Iraq has suffered a series of attacks over the past several weeks, including several on minority communities. Particularly horrifying were the attacks on the Iraqi foreign and finance ministries on October --- on August 19th. But the reality is that the Iraqi people have stood firm and have rejected retribution and a new cycle of violence such as the ones that brought Iraq to that brink in 2006.

There has actually been some good news. Iraq during this past year staged two rounds of successful elections --- the provincial council elections in 14 of their 18 provinces in January; elections in the Kurdistan regional government today -- in July. Today, in fact, new provincial councils operate aware that voters will have an opportunity to judge their performances in the next elections.

Preparations have begun for the national elections scheduled for January 2010. The Council of Representatives, that is their parliament, is working on an election law to govern the conduct of the elections. And Iraqis High Electoral Commission has begun to register voters, and political parties are negotiating coalitions, several of which are likely to be cross-sectarian.

We'll continue to work with the Iraqi leadership to ensure that this process is completed, but I'm pleased to report that politics has

definitely been embraced in Iraq.

There is no question that the Iraqi -- that Iraq has the resources to become stable and successful, but it needs to better mobilize these resources starting with oil.

On June 30, the Iraqi Ministry of Oil held a bid round with 32 international oil companies competing for six oil fields and two gas fields. One field was awarded. That field is one of Iraq's largest producing oil fields, one that could help boost, possibly even double, Iraq's current oil production.

The bid went to a British firm with a Chinese minor partner. There are other bids for the other fields that were not successful, but they're continuing discussions to see if they can find success in those other fields.

A second bid round, planned for later this year, will include larger fields that have been minimally developed. In the run-up to the next bid round, we're urging the Iraqis to recognize the opportunity it presents. This round needs to be a success. We've discussed intensively with the Iraqi government how it can make its investment climate in the sector more attractive.

Provided the Iraqis can also reach consensus on a hydrocarbons legislation and on revenue sharing, it could be a real game-changer for the country. Iraq really needs to focus on its economy. I would put economy right up there with security and the political situation if Iraq is going to be successful.

I can assure you we will keep urging progress on market reforms. During his visit to the United States in July, during which Prime Minister Malaki met with a number of our senior officials and also made a visit to Arlington Cemetery to honor those who have fallen in this war, Prime Minister Malaki announced plans for the first U.S.- Iraq business and investment conference to be held October 20 and 21 here in Washington.

Some 200 representatives from Iraq will attend the conference led by delegations of senior government officials. Preceding that conference, we'll hold several high-level -- we'll have several high-level Iraqi officials here for dialogues on economic cooperation, which is a bilateral economic policy discussion to highlight the steps they need to take.

These events will be significant steps as we help Iraq attract foreign investors, stand up a market economy, and pay their bills. A market

economy in Iraq can generate economic growth and increased employment opportunities, and it will also weaken the insurgents and the extremist networks.

For Iraq to rebuild its infrastructure and economy on the scale that its neighbors in Saudi Arabia and the Gulf did in the 1970's and 1980's, it could be that engine that would help the regional economy, indeed, beyond that, to the world.

Beyond bilateral economic issues, I want to stress that the Iraq issues do not exist in a vacuum. A look at a map will clearly show that Iraq is located in the center of a highly complex neighborhood. Iran's influence is a reality, and I look forward to discussing that with members of the committee.

We recognize that elements of Iran's influence, such as trade and religious tourism, can have a positive impact but, too often, it plays a negative role -- meddling in internal politics. With Syria, tensions persist between Baghdad and Damascus. And tensions have risen in recent weeks. Iraq's history with Kuwait is also difficult. And, as we all know, the problems reach back beyond 1990.

So there is a fundamental question that I think we need to look at. Will the Sunni-Arab world make room for an Iraq -- an Arab state -- which will probably have the Shi'a in a leading role? That is a critical question. Another critical question is, of course: Will Iran respect Iraq's sovereignty and understand that we, the United States, intends to have a long-term relationship with Iraq and that we, the United States, consider a strong Iraq a positive element in the region?

There are many internal threats to Iraq's stability.

There's the -- although, the extreme Sunni-Shi'a violence of 2006, 2007 has abated and, often, because of our direct intervention, our work with people, our political and other efforts there, nonetheless, the bombings in recent months show that we still have to deal with Al Qaeda in Iraq that tries to rekindle violence. To the great credit of the Iraqi people, however, they have not risen to the bait.

Our diplomacy has a vital role to play. We look for -- to be active in supporting resolution of disputes, territorial disputes in Northern Iraq between the Kurds and the Arabs. I, myself, was just in Iraqi Kurdistan discussing with President Barzani how we can move ahead on these issues.

We would like to see the vital oil sector -- again, I think oil is a crucial component of getting that country on its feet. And we'd like to

see those issues resolved, especially in the thorny area of Kirkuk.

So we have a lot of work to do together, but we feel we are very much engaged with Iraqi-Kurdish partners as well. And I am pleased to tell you, Mr. Chairman, that the U.S. embassy -- we consider ourselves very much joined at the hip with our military colleagues. The U.S. military has been an extremely positive force in that country not only in liberating it from Saddam Hussein but in working with the various political elements there, in trying to get the economy going, in keeping the country together. And I think we can all be very, very proud of the -- of what our military has succeeded in doing there.

I work very closely with General Odierno, and I'm pleased to say that we have an excellent relationship and it is based on -- we move forward and, during this year, we'll ensure that our troops are withdrawn on schedule by the president's timetable and that, in their place, will remain a very strong, healthy relationship between the U.S. and Iraq; one that has moved from a military phase to a political phase and a relationship that, it is our hope, will serve our interests for decades to come.

Today, we have a security agreement that is utterly crucial in setting out the parameters for our military relationship. We also have something called a Strategic Framework Agreement which lays out all the elements of a relationship that we intend to have with Iraq for decades to come.

Mr. Chairman, I would say to you that this year is going to be absolutely crucial. It's absolutely crucial that those of us who serve in Iraq and can talk to you and to members of your committee and make very clear how we see the situation on the ground. I have been very pleased to see so many members of Congress come out to Iraq. I hope many more will come out.

And any time I'm in Washington, I look forward to meeting with you and any members of the committee who'd like to meet.

Thank you very much.

REP. BERMAN: Well, thank you, Ambassador Hill.

I will yield myself five minutes to start the questioning.

According to Ken Pollack in the most recent of the National Interest, over the past year -- and I quote -- "Malaki has been deploying more of Iraq's nascent military power to the North and goading the army into regular provocations with the Kurdish militia -- the Peshmerga."

My questions are: Is Pollack's assertion accurate? And a little more detail -- you touched on this, but what are the prospects that there will be a serious outbreak of hostilities between Arabs and Kurds? Are growing Kurdish-Arab tensions the biggest threat to Iraqi stability?

We learned this morning of another mass casualty bombing in a Kurdish village just outside Mosul and a number of casualties. Could you -- in addition, could you provide details of General Odierno's proposal to deploy U.S. forces in Northern Iraq in order to build confidence between the government and the Kurdish security forces?

How many U.S. troops would be involved? How many Kurdish- Peshmerga and Iraqi security forces would be involved? What are the criteria for success of this plan? And what would determine that such deployments are no longer needed?

AMB. HILL: Mr. Chairman, the issue of -- the internal issue of the relationship between the Kurdish regional government and the Iraqi -- and the Iraqi Arabs is, of course, a very crucial element of the cohesion of Iraq.

I'm pleased to say that it's an issue that is receiving a great deal of attention both by our military but also by the embassy. We also have an UN mission there, UNAMI, that is very active in this area. The issue is, like many issues in Iraq, complex. But there are, for starters, a number of territorial questions. And it goes to -- it goes along the border, which is called the "disputed internal boundary areas."

And there's some 15 features along that border in which there are disputes. Some are less disputed than others. Indeed, sometimes, you'll hear -- like in Makhmur, one side said no, it's not disputed; the other said it is.

But, certainly, in Kirkuk, this is probably the most sensitive of the areas because Kirkuk is probably the most economically developed. And it also has probably got the greatest economic potential in terms of oil reserves.

So these 15 features along this border need to be resolved. I want to stress this is an internal border; it's not an external border. And one hopes that, as this is resolved -- as these issues are resolved, that is to determine which is in the Kurdish regional government area and which is in the rest of Iraq, tensions will subside, economic activities will get going and you will have less of a -- it will calm things down such that the actual internal boundary will be less important.

One of the first issues -- and our military has really taken this issue up -- is to try to make sure you don't have any accidental contact or conflict between Iraqi forces and the Peshmerga. And so General Odierno has been working with the Baghdad government and the government in Irbil on some ideas to do some joint patrolling.

Now, this is a work in progress. He had some discussions in Irbil last Saturday on this. He had discussions previously in Baghdad in which the Kurdish interior minister and defense minister came to Baghdad. Last Saturday, he had the national defense minister and interior minister come up to Irbil.

The concept is essentially to have patrolling that includes setting up some checkpoints which are to be determined where those checkpoints would be but, also, to have some mobile checkpoints involving three elements: the U.S., Peshmerga, and the Iraqi army.

REP. BERMAN: Let me just interject --

AMB. HILL: Yeah.

REP. BERMAN: -- only because I only have about 20 seconds left.

AMB. HILL: Yeah.

REP. BERMAN: But is this assertion regarding purposeful deployments in the nature of provocations by the Iraqi army to the North?

AMB. HILL: Yeah. I haven't read Dr. Pollack's article. I think what he's referring to is the deployment of the Iraqi 12th Infantry Division which, in the minds of some experts, was provocative in that it had fewer Kurdish members and less Kurdish leadership in the Iraqi army in that division.

I think it's -- it certainly was a problem a couple of months ago. There were some --

REP. BERMAN: Ambassador, I hate to do this to you --

AMB. HILL: Yeah.

REP. BERMAN: And I am interrupting the answer to my own question.

AMB. HILL: Yeah.

REP. BERMAN: But my time has expired.

AMB. HILL: Right.

REP. BERMAN: And so I've got --

AMB. HILL: Okay. I just want to emphasize that I believe those issues have stabilized, but we need to get the political issue moving. And the two major features are Kirkuk and Mosul. And if we can find solutions in those areas -- and when I say "Mosul," I mean Nineveh more broadly -- then I think we can work through the other 15. And we're working very closely with the UN, and we have someone from the U.S. embassy full time on this job assigned to Kirkuk.

REP. BERMAN: My time is more than expired.

And I now recognize the gentleman from California, Mr. Rohrabacher, for five minutes.

REP. ROHRABACHER: Thank you very much, Mr. Chairman.

We've lost 4,323 American lives so far in this endeavor.

And, again, let me repeat what I said in my one-minute opening statement, and that is it is somewhat dismaying for Americans to see what appears to be a total lack of gratitude on the part of the Iraqi people for the sacrifice that has been made. I have yet to hear Iraqis who I have been in direct contact with, without prodding, say thank you to America and express their gratitude.

The Kurds, on the other hand, seem to be very appreciative of the efforts that we've made. And as American troops were withdrawn from the cities recently in Iraq, there were celebrations all over Iraq except in the Kurdish areas. And the Kurds have expressed to me that they believe that that's -- those celebrations -- the withdrawal of American troops was, frankly, a terrible sign of disrespect for the American sacrifice that has been -- that we've made for the people of Iraq.

And so it was a sign of -- you know, seeing those people out celebrating our withdrawal doesn't sit well with some of us who know how much suffering we've had here among our own people; people losing their sons and daughters and having their faces blown off, and have these people not being grateful for it, it's just -- it's heart wrenching for the American people to understand.

And then to find out that the communist Chinese are ending up with oil

deals that, perhaps, should be going to American companies or just, perhaps, maybe not to a country like communist China.

So let's get to some specific questions, Mr. Ambassador. I echo the alarm that our chairman expressed about possible moves against the Kurds. We need to make sure that we send a very strong signal that that is unacceptable. And what stronger signal could we send but to join 12 other nations who have a consulate in Irbil?

I will be proposing legislation soon that will require us to have a consulate in Irbil. And what is your reaction to the idea of joining the other nations that have established such consulates?

AMB. HILL: With regard to the issue of a consulate, the U.S., first of all, has probably the largest mission in Irbil of any of the countries you mentioned. Ours is a provincial reconstruction team led by a very senior diplomat there, Andy Snow, with many years of experience in the Foreign Service.

In short, we have a very strong diplomatic presence. I think the issue of whether or when to have a consulate is something that the State Department will need to make a decision on. It goes beyond my capacity to decide.

I want to assure you though that we are in very close contact with the Kurds. In fact, I just spent 36 hours over the past weekend, just Saturday and Sunday, with President Barzani up in his home village in Barzan. So we are in very close contact with them. And I also want to assure you that we look to reduce tensions, and we look to make sure that everyone understands what the rules of the road are.

And we're pleased, actually, that we have a prime minister in Baghdad who has actually gone up to Kurdistan in recent weeks to meet with President Barzani and meet with the other leadership there.

REP. ROHRABACHER: Well, thank you very much. And let me just note that we want to make it real for those people. We have a chance now. If we, instead of hedging, make it an official consulate, if we have a presence in the Kurdish autonomous area, certainly, making it real by -- at this point, by making it an official consulate would be a great message, I think, that would deter people who have other plans in Iraq.

Let me say the other thing that is disturbing to me is, of course, that we have seen this attack on Camp Ashraf. And I would hope that you'd take back with you to the Iraqi government that there are senior members of the United States Congress that are watching what they're doing and

holding -- going in and taking prisoners from that camp in order to do the Iranian mullahs a favor -- is not acceptable. Their human rights are being violated as far as what we can see, and we should put an emphasis on that as well.

AMB. HILL: I'll carry that message.

REP. ROHRABACHER: All right. Well, I guess that's the end of my questions. Thank you.

REP. BERMAN: I yield five minutes to myself.

Ambassador, thank you very much for your testimony and for your service again.

Could you tell us what role Iran is playing inside of Iraq?

AMB. HILL: Iran has a longstanding relationship with Iraq. There are, obviously, many Shi'a in Iraq who -- and Shi'a in Iran -- who feel a very close kinship. There's a cultural relationship, a religious relationship, a commercial relationship.

But frankly, sir, there is also a very malevolent relationship. And we see continued signs of Iranian weaponry finding their ways into various -- into various insurgent groups in Iraq. Indeed, one of the Iranian weapons I found in my front yard at my house when we were rocketed a couple of months ago, 107-millimeter rockets which were Iranian-made.

So there's no question that Iran and Iraq should have a long-standing relationship. They're, after all, neighbors. But I think Iran needs to do a much better job of respecting Iraq's sovereignty, and they should start by ceasing to provide weaponry to various extremist groups in Iraq.

REP. BERMAN: Thank you.

Seems a lot of time has gone by where the Iraqis have been talking about -- or not talking about -- the hydrocarbon law. Is anything happening? If they can't come to a basic conclusion about that which is, I would presume, an important if not the important component of what would be their economy, how are they going to be able to run a country?

AMB. HILL: I believe the hydrocarbon law is long overdue. We have urged that they pass this legislation for many years now. There are clearly some differences. Some of the differences are between the Kurdish government and the Kurdish government authorities in Irbil, and the

Iraqi government authorities in Baghdad.

But I think the issue goes well beyond that. There are a lot of differences between people in the Council of Representatives -- that is, their parliament -- from the south and people in the central part of the country. It's a very complex piece of legislation. It actually involves several pieces of legislation.

The question is, can Iraq make progress on its oil sector in the absence of getting this very tricky piece of legislation through their parliament? The answer to that is yes. They can do a lot more in terms of getting out -- of getting out these fields through international bids, and they have begun to do so.

They do -- they will need a hydrocarbons law. It will help set out the relationship between what the provincial authorities can -- what their requirements are in terms of paying for infrastructure and issues like that. It will also set out the bureaucracies of what kind of national oil company, if any, that they have.

They've not been able to reach an agreement. My prediction to you is that they will not do so prior to the January elections. At the same time, I do believe that they will move ahead with other international oil companies, as they've started to do in leasing out fields.

I want to emphasize the importance of that, because Iraq has not done that for decades and decades. Well before Saddam Hussein, there has been this predilection in the country not to give out oil fields to foreign entities. They've begun to do so, and it's a very healthy development. And I think it could signal an end -- or the beginning of an end to Iraq's self-isolation with regard to its economy. So it's a delicate political issue, but they have begun to do so. And as I --

REP. BERMAN: When you said that --

AMB. HILL: If they are able to do so, they will be able to export far more oil and they will be able to pay their own bills.

(Cross talk.)

REP. BERMAN: Excuse me, Ambassador. You've now said when and if in the same sentence.

AMB. HILL: Yeah.

REP. BERMAN: Do they have the ability to do that? Have they --

AMB. HILL: The ability to? I'm sorry.

REP.BERMAN: To solve this problem?

AMB. HILL: Yes.

REP.BERMAN: I mean, they're besieged with problems in trying to run a country.

If they --

AMB. HILL: Yeah. If they had a --

(Cross talk.)

REP.BERMAN: How do they solve Kirkuk? How do they solve all their other problems?

AMB. HILL: They put up six oil fields and two gas fields for bid in June. The one -- one of the fields was bid, was given out to a British entity, British Petroleum. That -- those negotiations to complete that deal are ongoing, and we believe they will be successful. The others, we believe, are also under discussion so that by this fall -- And I'm mentioning this because you asked about the hydrocarbon law, which I don't think, as a realistic matter, is going to get done this fall.

I do believe they are going to get foreign investment in their oil fields. They have a lot of work to do on infrastructure which has fallen down. They have pipeline problems, other things. I think it's very encouraging that they're doing this, because, Mr. Chairman, our desire is to see that Iraq starts paying its own bills.

REP.BERMAN: Thank you.

Mr. Poe.

REP. POE: Thank you, Mr. Chairman. Thanks for being here, Mr. Ambassador.

I want to follow up on my opening statement. I'm concerned about the Iranian government.

The Iranian government wants to develop nuclear weapons. They are involved in Iran -- I mean, involved in Iraq directly and indirectly to cause mischief. They kill people. And now they're involved in Camp

Ashraf, with influence on the Iraqi government.

The -- apparently, the United States knew that there was trouble in Camp Ashraf, that there might be some type of problem. And, of course, there was a problem with the invasion of the Iraqi Security Forces killing 11 people, capturing 36 others, then ordered by a judge to release these people. They're still in captivity. And we have the legal and moral obligation -- right or wrong, we're in that situation -- to protect Camp Ashraf. We're on our way out.

How do we know that this camp with these Iranian dissidents will be secure, that their lives are not in jeopardy? Is the the Geneva Convention going to use this as a designated-persons and make sure that we as the United States push to protect these individuals?

My personal opinion is our quarrel is not with Iranians, either in Iraq or -- Iran or Iraq. Our quarrel is with the government. And so what are we doing specifically to make sure that the people of Camp Ashraf are safe when we leave town?

AMB. HILL: Well, first of all, we sought and received written assurances from the government of Iraq that it will treat the Mujaheddin el-Khalqhumanely and will not forcibly transfer them to any other country. Not forcibly transfer them to any other country. So --

REP. POE: Excuse me. Just to clarify the question, or the answer. Was this before or after the security forces came in to Camp Ashraf that we got this assurance?

AMB. HILL: This was before, because our -- the U.N. mandate for the -- for us to run -- to be responsible for this camp ended at the end of 2008. After 2008 -- that is, starting January 1 this year -- it is the sovereign and sole responsibility of the Iraqi government.

And because of that, we sought from them written assurances that they would treat them humanely, and that they would not forcibly repatriate them where they would be -- they could be tortured or persecuted based on their religious or political beliefs.

REP. POE: It doesn't appear that they have been treated humanely, if 11 of them were murdered and 36 others were arrested.

AMB. HILL: Well, on July 28 Iraqi forces went in to try to set up a police station. They regarded that as an exercise of their sovereignty because Ashraf is in Iraq.

REP. POE: Did we know about that before it happened?

AMB. HILL: We -- I understand that they told us that -- yes, they were going to do this.

REP. POE: Okay.

AMB. HILL: Yeah.

As you're well aware, the operation of setting up this police station resulted in violence and the deaths of several of the residents. The United States gave immediate medical attention to the injured and provided medical supplies and expertise to the clinic there. We also evacuated most seriously injured to U.S. medical facilities.

We have continued -- the U.S. has continued to monitor the treatment of the 36 Mujaheddin el-Khalq members who are -- were arrested on charges relating to the rioting and illegal residence in Iraq. So we have continued to monitor them and we have continuously and clearly made -- told the Iraqi government of our interest in their treatment.

I can assure you, sir, that we are continuing to be in touch with the Iraqi government and urge that they live up to their written assurances to us with respect to the treatment of individuals, and especially to the issue of repatriation. Because it is repatriation that I think we have to make sure does not happen.

REP. POE: Let me ask you a question in the limited time I have left. Let's just kind of -- let's just cut to the chase. When we leave, what is your personal opinion about the safety of the people in Camp Ashraf?

AMB. HILL: Well, we have made it very clear to the Iraqi government -- I think this Committee, in fact, has made it very clear as well -- that we are interested in the well-being of these people. We're interested in the preservation of their human rights. We're interested in the fact that they should not be forcibly repatriated to Iran.

It is therefore my view that the Iraqi government respects our concerns in this regard and will work with us on those. That said, they do want to exercise sovereignty over their own territory, but that sovereignty should not come at the expense of human rights or repatriation. So Mr. Congressman, I can assure you will continue to be very vigilant on this matter.

REP. POE: Thank you, Mr. Chairman.

REP. BERMAN : Mr. Scott.

REP. SCOTT: Thank you, Mr. Chairman. Welcome again, Ambassador Hill.

Let me ask you, do you foresee any circumstances in which the Iraqi government will ask the United States, and ask the president of the United States to review his scheduled deployment of troops out of Iraq? Do you foresee any circumstances?

AMB. HILL: I do not.

REP. SCOTT: Do you see that there may be a problem with Prime Minister Maliki putting on the ballot in the upcoming elections a referendum on that precise question?

AMB. HILL: I think a referendum would be more possible if there were a perception that we were not living up to the security agreement. We are living up to the security agreement. Our withdrawal of U.S. forces from the cities on June 30 was widely understood in Iraq as a clear example that the U.S. lives up to its commitments. And based on that, I do not expect to see the referendum.

But I want to make very clear; whether they have a referendum is entirely their decision. They have -- it is entirely theirs. Our focus is not the referendum. That is their focus. Our focus is on making sure the U.S. lives up to all of its obligations under the security agreement, and we are doing so.

REP. SCOTT: Let me stay on that for a moment.

Now, Prime Minister Maliki said that this is what he's -- wants to do, and that this is what he is going to do, and that this is what he is going to do, to hold a referendum on the United States status of force agreement on January 16th, the very same day that the national elections will be held. Now you stated very clearly that it's not our intention, it's just not what we want to do. But if in fact as it looks that that will be done, what impact would that have on U.S. policy?

AMB. HILL: Well again, it is their sovereign decision whether to do it. It is contained, a referendum is envisioned in the security agreement. Our concern is to make sure we live up to our provisions of the security agreement.

It is not for us to be giving advice to the Iraqis with respect to the referendum. So I'm not sure I want to get into the hypothetical question of if they have a referendum and then depending on what the referendum

reveals, then what would we do? It's too many hypotheticals.

I can tell you though that our focus is on the complete fulfillment of our obligations and we are doing so and we are widely understood by the Iraqi people as doing so and I think that's what we should continue to focus on.

REP. SCOTT: Are you worried Ambassador Hill that conditions will so deteriorate that civil war could very well break out in Iraq?

AMB. HILL: Well there is no question that security situation remains a challenge but I want to stress that the U.S. military is the world's greatest fighting force and it is also the world's greatest training force. We have done a lot of work with the Iraqi forces. And so we have a lot of confidence in their ability to manage difficult environment.

I would say that one of the reasons why some of these sectarian attacks on Shi'a mosques, for example, on Shi'a mosque goers, in Shi'a neighborhoods and this sort of thing, in an effort to try to stimulate some sort of inter-sectarian violence. One of the reasons it has not happened, that inter-sectarian violence, is that the perception is that the Iraqi security forces, unlike a few years ago, the perception is that they play it fair and they do their jobs. And so I'm confident that our forces have done a tremendous job of training those forces so that they remain disciplined and are not part of the violence as they were alleged to be some years ago.

So I think that's been very important and I think we need to stay at it.

As for you know the level of violence, it's obviously it is a tough proposition to stop all of this violence, yet I think the Iraqi military who is really very much in the hot seat now, they are really in these areas, in these urban areas, their checkpoints are being attacked, things like that, they are going to have to look at their tactics and see what needs to be --

REP. SCOTT: Let me just quickly, my time is about gone, but what, how do you describe the relationship between President Talabani and Prime Minister Maliki? The tensions appear to be high, they're criticizing one another. What is your take on that relationship?

AMB. HILL: I, based on my observation, their relationship is very, very businesslike and productive.

REP. SCOTT: Thank you Mr. Chairman.

REP. BERMAN: Thank you. Mr. Costa.

REP. COSTA: Thank you very much.

As I said in my opening comment, I'm interested in terms of how well this effort create democratic institutions where none have existed historically. Now the debaathification effort was a step in that direction. Could you give us greater descriptive in where you see the milestones here in the next year for a continuing effort to make this Democratic form of government successful?

AMB. HILL: I think Iraqis, as I mentioned earlier on, Iraqis have really embraced politics, and what you're seeing now in the five or four now months leading up to the January elections is many of the Iraqi politicians moving around and trying to build coalitions. We're pleased to see that these coalitions that they're trying to build are often cross-sectarian. That is a Shi'a party may look to see if it can get in coalition with a party that has largely Sunni in their --

REP. COSTA: So the cross-sectarian lines you think are actually taking place?

AMB. HILL: Well it is actually taking place. Now it doesn't mean that that's the only phenomenon going on. For example, there's been an effort to have a pan Shi'a party. And this is something the Iranians have wanted to see, a pan Shi'a party. Yet many Iraqis understand that you cannot run this country, you cannot run the county with only a Shi'a coalition --

REP. COSTA: And the role that the Kurdish are playing in these parties?

AMB. HILL: I think the Kurdish parties will very much play a role in the January election. I think they are, they have not endorsed any particular coalition yet. President Barzani in Irbil has hosted many politician leaders, political leaders up from Bagdad who are looking to see if he would join them in a coalition.

So I think the Kurds will have a big opportunity really to cast their vote with a coalition and probably make it the winning coalition. So that is why many people are interested in getting a strong Kurd --

REP. COSTA: So they're trying to play that balancing role.

AMB. HILL: Yes --

REP. COSTA: The last time we were in the Kurdish area there was a lot of

economic activity taking place, is that continuing?

AMB. HILL: Yes, if you go to Irbil you'll see --

REP. COSTA: The airport's completed?

AMB. HILL: The airport is expected to be completed in a matter of months, it's frankly when you drive by it it looks completed, but I think there are a lot of technical issues so I think the expectation is it'll be completed by the end of the year. There's a lot of Turkish investment in Irbil and also Lebanese investment.

But it is very politically significant that the Turkish private sector companies are very much invested there.

REP. COSTA: It seems to me that one of the reflections of success of that activity that you are describing is whether or not institutions that any country depends upon growing and being able to function well like it's educational institutions. We had an exchange from University of Ambar out in California earlier this year with my university. Are the universities or the schools are those kinds of institutions demonstrating their own ability to function as they're supposed to?

AMB. HILL: I've been very pleased to see the development of a lot of partnerships with U.S. universities. I think at last count I saw some 13 partnerships, including California but also South Carolina and some others.

I think it's also significant that Prime Minister Maliki has set out as a goal of having 10,000 Iraqi students come and study in the U.S. You know, the Iraqis are historically very proud of their educational institutions and yet these were quite laid to waste during the Saddam Hussein era.

I recently hosted in my home the Fulbright students who went this summer, some 25 Iraqi scholars studying in the U.S. and I also invited previous Fulbright students from before the Saddam Hussein era including a woman, the first, 1952 --

REP. COSTA: My time is almost up.

AMB. HILL: Yeah.

REP. COSTA: Another area related to this, during the height of the war the diaspora that took place among those who were professionals and educated and that group to Jordan and other places was significant. Are

folks starting to come back?

AMB. HILL: I would say the returns of refugees and neighboring countries has been disappointing and I would say equally disappointing is that I believe the Iraqi government needs to make a greater effort in this regard and I think they need to make a greater effort because many of the people you described are indeed people that they need back in the country, they are the educated classes in some cases.

So I think one of our tasks in Bagdad is to push this issue further up on their list of priorities to be very frank with you.

REP. BERMAN: Thank you. Mr. McMahon.

REP. MCMAHON: Thank you Mr. Chairman. Ambassador obviously to all of us the relationship between or the influence that Iran has in Iraq is of great concern for Iraq as well as for allies like Israel in the area. How much of an influence does Iran have over Prime Minister Maliki personally? As you know, there was a report the citing of an Iraqi intelligence official as the source David Ignatius wrote on August 25th that the Prime Minister uses an Iranian jet with an Iranian crew for his official travel. Is that claim accurate and should we be concerned?

AMB. HILL: Yeah, I think with regard to the jet, my understanding is it's accurate. I do not however subscribe to the view that he is acting at the behest of the Iranians. I think he is very much an Iraqi prime minister.

I want to stress though that these are very political times there, all times there are political but we're coming up and against an election and you know he has his supporters but he certainly has his detractors.

But in our dealings with him, he's very much an Iraqi prime minister.

REP. MCMAHON: With regard to the elections and we all know all politics is local, can you, with the rule we are never allowed to forget and -- with regard to those elections that are coming up in January, what is the lay of the land of the local parties, which ones are more aligned to Iran, which ones are more opposed? Could you give us an overview of that?

AMB. HILL: Yeah, I mean you have first of all parties often kind of come together for elections, parties are, there are few that are more long standing than others, but there are a lot of smaller parties that come together and then will join with other parties.

In terms of, you know, Iranian influence is mainly felt in the south of the country where the population is far more Shi'a. But I want to stress one thing that I think people should bear in mind which is that when Saddam Hussein fought an eight-year war against Iran, he fought it with an army that was 80 percent Shi'a. So I don't want anyone to be left with the impression that because Iraq has a large Shi'a population that they are somehow, you know, Iranian surrogates. They are very much Iraqis first. Iraq is a country that I think people have a very strong national identity of being Iraqi.

So to be sure, there are some parties that are thought to be more under Iran's influence, you know, I think most analysts would point to the Sadderists as an example of that. But if you ask Sadderists, they would not agree with that.

So it's an ongoing issue. Everyone has an opinion about it. I think what is important is that the Shi'a that are in Iraq need to believe that the rest of the Middle East which is exclusively Sunni led governments, that those Sunni led governments are prepared to make room for an Arab -- a government that is Shi'a led -- I don't want to say Shi'a dominated -- but Shi'a led. And I think to some extent we do need a more of a regional approach to this. Because what we don't want is a situation where Sunni countries will need to feel they need to back Sunni parties in Iraq because they're worried that the Iranians are backing Shi'a parties. And I think that would be very dangerous. And I do know that that's something people in Iraq worry about.

So I think it's very important. Turkey has been very active in Iraq and they've decided to be active in a positive way. They've decided to go in there with investments, see what they can do to help Iraq. I hope that other Sunni countries will come to the view that it's better to be there, helping, helping Iraq and not just leave the place to Iran.

REP. MCMAHON: Um-hum. Thank you. And with the little time I have left regarding Turkey and its recent attempts to reproachment with the Kurds have been received by both applause and scepticism by the Kurdish communities within Turkey. How are Turkey's efforts to ease those decades old tension received in Northern Iraq? And do you think Turkey's efforts will aid in its battle against the PKK terrorist group which has killed as you know over 30,000 civilians since the PKK took up arms?

AMB. HILL: I think we welcome Turkey's interest in forging a good relationship with Iraq and in particular its interest in dialogue with Iraq's Kurds. Turkish businesses have already made their views clear because when you go to Irbil these days, you see construction project after construction project that is from various Turkish companies. So I

think there's a lot of very positive developments there.

You know, Turkey still has a big concern about the PKK. There is no question. There is a concern that the PKK uses various sort of places in Iraq to launch attacks in Turkey, and that is an issue of continued concern and one that we are in touch with the Turks on. But I would say Turkey has, you know, made an important decision to work with Iraq and to work with Kurds very specifically.

REP. MCMAHON: Thank you. Thank you, Mr. Chairman.

REP. BERMAN: Thank you. Mr. Faleomavaega:

REP. FALEOMAVAEGA: Thank you, Mr. Chairman. Again, Mr. Ambassador, welcome. Always a pleasure working with you as I've had in the past years.

Mr. Ambassador, our history and the concerns that I have in terms of sometimes there's so many inconsistencies in our policies that we've already expended over \$900 billion in waging war against Saddam Hussein at the expense of some 4,300 of our finest American soldiers who have lost their lives and to which many thousands more wounded and maimed for life, I guess a little bit in terms of what my colleague from California, Mr. Rohrabacher, said earlier, if there's any real sense of appreciation the people of Iraq and the sacrifices that our country have had to make, especially in my humble opinion, then our first priority in really wanting to wage war against Saddam Hussein was to get rid of nuclear weapons and not necessarily to democratize the good people there in Iran.

Now after us doing all the dirty work in the past six years, they've got 30 of the biggest corporations in the world bidding for Iraqi oil. And I wonder if there's any agreement somewhere that maybe as compensation or a little token of appreciation or something that the government of Iraq could monetarily maybe reimburse or compensate for the losses and the tremendous amount of resources that we've had to spend to give them democracy.

Is there anywhere where to suggest that now they have the third world largest oil reserves in the world, is there anywhere that maybe some way that as a token of their appreciation for our sacrifices that they could at least maybe a little payment of appreciation of what we've done?

AMB. HILL: Well, first of all, Mr. Congressman, I want to stress that I have been in many, many, many conversations with Iraqis who've expressed their gratitude for our sacrifice, and I really want to stress that. I

mean I hear that every day from Iraqis.

I share the view that frankly I'd like to hear it more, but I do hear it every day and it is really quite gratifying to hear it. And I've heard it expressed in quite emotional terms from Iraqis about how our sacrifice made them free. So I want to stress that that goes on. That is a daily occurrence in my life there.

With regard to the issue of contracts, I think the best thing we can do for our companies frankly is to ensure that the Iraqis play by the rules and have a transparent system. I was very pleased with the way they handled the oil bidding in June. I mean it was at the Rashid Hotel. There was a big glass jar. It looked like something out of a state lottery or something as they pulled bids from it and really, I think were, very transparent. They did it on national TV and live.

This was not some backroom deal or some deal where you go into someone's tent and come out with a oil concession. This was very much open. And I am sure that as they go forward and if they continue this type of approach, our companies will do fine in this. It was a British company that won the contract. But I'm sure U.S. companies will do fine. And I also take note of the fact that our companies are very interested in working in Iraq.

I believe that Iraq holds the promise for our companies of strong exports to Iraq. They need a lot of infrastructure. So it's the things our companies can build well. So I think we're going to do just fine there.

REP. FALEOMAVAEGA: It's my understanding that out of a population of 23 million people, over a million now are refugees in other countries like Jordan, Egypt, and the other million, I believe, are also homeless within Iraq. Sixty percent of the population is Shiite, 20 percent is Sunnis which Saddam Hussein was a Sunni. And one of the bigger ironies that I find interesting in history is the fact that we supported Saddam Hussein during the eight year war that he had with Iran because we hated the Ayatollah more than we did Saddam Hussein.

And who do we appoint as a special envoy to Saddam Hussein at the time was a fellow named Donald Rumsfeld. Talk about contradictions of history what we're dealing with here. But I just wanted to ask you. I appreciate the fact that you're sharing this that they do appreciate. But, boy, I'm telling you I'm not hearing it in our media.

The American people have not heard it as often. Maybe it should some way or somehow. But I for one, and I'm sure there's not one member here that

does not have relatives or friends who've served and died in the war there. But I really, really would deeply appreciate it if you can convey that message about a little more public acknowledgement of what we've sacrificed for it. Thank you, Mr. Ambassador. Thanks.

AMB. HILL: Just a postscript on that. I would like to stress Prime Minister Maliki when he came here, he asked to go to Arlington Cemetery. It was his idea to do that and pay respect to those who have fallen. But Mr. Congressman, believe me. I hear you loud and clear on that issue.

REP. BERMAN: Thank you. Ms. Jackson-Lee.

REP. JACKSON-LEE: Ambassador, let me thank you very much for a very long tenure of service. And I don't think anyone can deny the commitment that you have had to the American people. We're most grateful.

We're grateful to this President, and we're grateful to the Secretary of State for a new attitude on the issue of the face of America as it relates to foreign policy. That success, although short, has been shown by polling numbers in Europe on how Europeans who many of them are allies believe that we are handling our foreign policy and the attitudes that we have internationally.

You're speaking to someone that you obviously are aware had no stomach for the Iraq War not because I'm a wimp, not because I don't believe in American values and don't support in totality the valor and courage of our young men and women who are on the front lines. And I think we who opposed the war got it right. We stood solidly linked with our soldiers and public servants, civil servants and others who were on the front line.

Many of us have visited Iraq, Afghanistan, Pakistan in places where our soldiers were. We never can equate our visits to the tough conditions that they live in.

And so here are my questions as relates to where we are in Iraq. You're in the diplomatic arena. I assume that you're meeting constantly with the foreign policy representatives and head of state. I hope to be in Iraq over the next couple of weeks to assess for myself.

But my first question quickly is, is Iraq maturing enough? Is there sufficient maturity to really handle their own business? Frankly, I want all of our troops out of Iraq, and I would say to you that they have been an enormous disappointment. You have to put a good face on it. But as far as I'm concerned, they are complete failures. Why? They pushed us out. I'm glad to be gone. Not enough of us are gone, and they have done

nothing but create havoc, tolerate bombers and spew venom on us.

Now I'd like to add to my question on the Camp Ashraf. We note that there are 36 detainees arrested and being held after the raid. Where are they, and why are we just monitoring the situation? We need to do something about it. What has happened to the thousand women that have been attacked by, I'm told, Iraqi nationals. There is no excuse for these individuals who are minding their own business, who are not threatening Iraq that have to be condemned and attacked.

My own constituent has a person there, Mitra Sarabi(?). So my question if you can answer those three questions quickly. I'm only giving you about one minute and 30 seconds. I understand that, and I'd ask unanimous consent to submit into the record report and legal opinion dated July 28th and 30th, Mr. Chairman, 2009 and a newspaper article from the Washington Times regarding the faith community that is sick and tired of the treatment of these individuals in the Ashraf Camp. I ask unanimous consent.

REP. BERMAN: Without objection, both will be made part of the record.

REP. JACKSON-LEE: Mr. Ambassador.

AMB. HILL: First of all, I do believe Iraq is making progress such that the president's time table for withdrawal of our troops, which was something that was supported by the previous administration when it drew up the security agreement, is absolutely achievable. By the end of August all -- by the end of August 2010, all of our combat troops will be out. By the December 2011, all of our troops, even the assisting troops, who are assisting and training, will also be out.

So we are holding to these -- this time table. We've worked very closely with the Iraqis. We do believe their institutions can stand up. Iraq is a country that will have -- or has the economic potential and will have the economic means to run itself, and we're very, very -- we expect this to get done.

With respect to Camp Ashraf, I don't have a lot to add to what my previous answer was except that we do monitor the situation closely. We monitor it for two commitments that we've seen in -- what we've had in writing from the Iraqi government, one, that they will respect the human rights of the camp residents, and, two, that they will not engage in any forced repatriations to Iran.

We are also monitoring the treatment of the 36 individuals who were arrested for violence and how that -- the court cases against them will

proceed.

Thank you.

REP. JACKSON-LEE: Mr. Chairman, I close here. I just want to pose a question to you, Mr. Chairman. Whatever the protocol is, and I appreciate Ambassador Hill, it might be appropriate to have the Ambassador to the United States from Iraq, obviously what Ambassador Hill is saying is that this is Iraqi business. Well, I think that they're handling their business poorly, and I would ask that if there are human rights violations this blaring, we need to have answers and I appreciate if we'll have the opportunity to get them.

I thank you, Mr. Chairman. I yield back.

REP. BERMAN: Mr. Fortenberry.

REP. FORTENBERRY: Good morning, Ambassador Hill. Thank you for appearing. A question about the status of Iraqi religious minorities: What is the security situation for the Fathian Rite Christians (ph), Yazidis, Mandeans, remnant Jewish populations, and then beyond that is there appropriate movement of them into representative governance positions and embrace of their rights within both central as well as provincial governments?

AMB. HILL: Mr. Congressman, I met with the leaders of the Christian minorities soon after I arrived in Iraq. It's an issue of great interest to us. They -- and the purpose of meeting with them was to monitor precisely how they regard the situation in this. Obviously it has been a difficult time for Christian minorities and you probably heard a few weeks ago that there were bombings of about seven churches, mainly in the Baghdad area.

My purpose in meeting with them was to assure -- or to find out how they feel their relations with the government are and whether the government is trying -- is actively doing things to assist them. They have had police protection. Indeed our forces have been helpful to them in some cases actually giving them physical barriers as we have for many of our facilities.

The religious leaders expressed concern, especially the Christian religious leaders expressed concern that many of their members have taken advantage of immigration programs to leave Iraq and to live in other countries including in Western Europe, especially Western Europe, and many of these religious leaders were very concerned that this process is resulting in reduction in their numbers.

I was talking to a Catholic priest there who reported on the number of Baptisms he was having but also reporting on the fact that many young adults were leaving. So it's a big concern there, and I think it's something that we need to be very much vigilant on and very active with.

After the bombings I went and visited the Chaldean Cardinal there to express my concerns to him. It was interesting. He didn't want me to go to the actual churches, which I was prepared to do, because he was concerned that we'd be attracting attention and therefore possibly further violence. That's a sign, I think, of how pragmatic he's trying to be, but I think it's also a sign of the problems that really exist, that a visit to a U.S. -- of a U.S. Ambassador to a church could actually cause further violence against that church.

So let me just say that this is a major concern of mine. I know it's a major concern of some members, and I would be happy to be in touch with you by letter, if you like, as I have with other members, on this precise issue.

REP. FORTENBERRY: Well, I appreciate that sentiment, and if we need to dialogue on how to perhaps more creatively ensure protections for --

(Cross talk.)

AMB. HILL: Yeah.

REP. FORTENBERRY: -- the communities, but also more fuller integration into civilian political structures, if that's not occurring. I assume there is some movement in that regard. Would you address that as well?

AMB. HILL: Yes, they are -- first of all local police tend to reflect the community, sort of ethnic or religious composition of the local communities. So I don't think it's a local police problem. There have been issues like that in the past. Those issues are getting better. There is no issue that's solved in Iraq. Everything is sort of a labor of love, you kind of keep having to work on it, but certainly there are Christian communities in the Mosul area that continue to be at risk and need to be taken care of.

Secondly, with regard to integration in government, I have met with government officials who -- you know, who are from these communities, talked to them about what the challenges are of getting more people from the communities here. I think the Iraqi government with respect to their civil service, they are open. There is no religious test for getting to -- for becoming a member of the government.

One of the big issues -- and they gave me quite a history lesson on this -- was in the actual formation of the various -- of how the constitution was set up -- you know, there are some people who wanted it to be an Islamic Republic and these minorities were among the people who, of course, did not want to see that. So there was quite a push and pull on this issue. So I think it's worked out in terms of their constitutional protection.

I think that's okay, but I just want to emphasize a lot of work and a lot of vigilance needs to be continued on this.

REP. BERMAN: Thank you.

Mr. Ellison.

REP. KEITH ELLISON (D-MN): Thank you, Mr. Chairman.

Mr. Ambassador, thank you for being here. Could you elaborate on the recent violence that we've seen in Iraq as I read over 100 people were killed -- you know, around the weekend of September 8th. I think in your comments you suggested it may be al-Qaeda-inspired violence. Can you just give us -- I mean, I know you may have limitations in terms of just, you know, disclosing all that you know, but can you tell us what you can tell us now in a little bit more detail about what is actually happening here and how it's connected to our withdrawal?

AMB. HILL: Well, these were, what are called in the business, high profile attacks. They were essentially truck bombs, which were of a variety that many Americans remember from the Oklahoma City bombing --

(Cross talk.)

REP. ELLISON: Yeah.

AMB. HILL: -- that is agricultural products that come together to make a bomb. They took place in the two major -- simultaneously -- or almost simultaneously with two major ministries dealing with Iraq's outreach to the world, its Foreign Ministry and its Finance Ministry. As such they carry all the hallmarks of a kind of classic al-Qaeda bomb, or al-Qaeda action.

Now, the Iraqi government believes very strongly that there is strong Baathists elements here and indeed as we look at the relationships between al-Qaeda, which is essentially a very extremely radical religious approach, the notion that, you know, Iraq should be turned

into al-Qalif and this sort of thing, and we look at al-Qaeda versus Baathists. They are not -- they don't have the same ideology at all.

Yet, I think there is concern that there has been some, at times tactical, hook up between the two. So the question is what is the Baathist element in this and the -- I think it's fair to say the investigations are ongoing in that regard.

The United States, of course, has -- we have put ourselves -- we are available to the Iraqi government to assist in the investigation. Indeed, we've had people at the crime scenes and we are doing all we can to assist. I'm not prepared at this point to, you know, point the finger at any one group obviously, because the investigation is ongoing.

REP. ELLISON: Is there any reason to believe that -- well, as I -- well, as I understand it part of what has happened over the last several years is that the United States has helped to inject money into the Iraqi economy by essentially helping people in the Shi'ite -- I mean in the Sunni community and try to stabilize there and create some jobs and things like that, but as we withdraw and as people may either lose that source of revenue or may feel abandoned or may feel -- anticipate the loss of that, is there any -- is there any sense that there might be a deeper scism forming than simply, you know, in -- because al-Qaeda essentially -- they got taken on by the uprising -- the awakening movement.

AMB. HILL: The awakening movement were a lot of Sunni militias who essentially switched sides, its very important. One of the elements of that, of that Sons of Iraq program of course has been to integrate these people into Ministries. And that's been ongoing and something we track very carefully because we want to make sure that the payrolls are met and in our view that is a program that's going well.

I think it's important to emphasize that it is true the U.S. has injected a lot of cash, a lot of money into Iraq, but its also true that Iraq does have the means to deal with its future. You know, no one likes to hear about just an oil based economy, you like to have a more mixed economy, but they have a lot of possibility for --

REP. ELLISON: Forgive me Mr. Ambassador. But I guess if your reality today is that you've gotta feed a certain amount of people today and there's the possibility of oil revenues in the future, you may choose to do what you need to do today. And so I guess what I'm wondering, is, does this violence represent a sort of breaking away of --- you know -- the commitment that --- I mean --- the awakening movement represented in its coming together with the Iraqi government?

AMB.HILL: I think the violence represents an effort to undermine Iraqi authorities, to undermine them at a time when it is widely understood that U.S. forces are beginning a departure. I think what is important is that the Iraqi authorities and the Iraqi people have understood that they cannot allow them to get away with this.

REP. ELLISON: Appreciate that.

REP. ACKERMAN: Thank you. Miss Lee.

REP. LEE: Thank you very much. Good afternoon, good morning Mr. Ambassador. Good to see you again, congratulations, thank you for your service.

Let me ask you a couple of things but I probably have a different point of view than most members on this committee. Of course I oppose the war, but also I oppose the authorization to use force in Afghanistan. I see what is happening now as it relates to Afghanistan and I think we're all beginning to see this blank check has got to be looked at in a different way.

Unfortunately, I hope that --- well --- I don't want to see Afghanistan go the same direction as Iraq, but I'm not sure that can happen. I have a concern about several things, one is, yes Iraq has the means to deal with their future and their economic development. But I have to just say, we bombed the heck out of that country, first of all, and so I believe we have an obligation to help rebuild and reconstruct.

Again, I did not support the bombing and the invasion and occupation, but once occurred I believe that we do have to make sure the country becomes whole. But secondly, I wanted to ask you about the refugees. How many refugees have left Iraq? How many are back, do we know? How many civilians were killed? And in fact, are there any underlying issues that we need to know about?

You say the Iraqis are very happy that we're there. But after Abu Ghraib and after the torture, after the killing of the civilians and the refugee crisis, I just have to wonder and be concerned about any lingering effects of all of that. And in fact, if we are really sticking to our timetable in getting out as it relates to the establishment of permanent military bases, we want to make sure that not only --- we don't establish permanent bases there and have a permanent military presence.

But also, these contractors that are being used as security forces, the

private contractors. Once we leave in terms of our military operation, will they be now, become the new military forces for the United States government even though they're private contractors?

AMB. HILL: Well I want to make very clear that we are living up fully to our obligations in the security agreement. That is we are not going to try to get around that. We're not going to try to make private, uh privatize the Army in some way. We live up to the letter and the spirit of the security agreement. And so the timetable we have for departure has been set out very clearly and I know that our military is working directly with that timetable.

REP. LEE: Let me just say though, its my understanding that the private security forces, we're looking at maybe a billion dollars for contracts for these private companies.

AMB. HILL: Well there are various security, private security contractors for various purposes. For example, at the Embassy we have a number of private security contracts in order to protect us. We have our own security people who oversee all these.

In fact, every time I go from the Embassy to a Ministry, I have a security detail which is led by State Department security. But within that security detail there are contractors, simply because we don't have enough who are on direct-hire status.

REP. LEE: And they're not perceived as a private mercenary force --

AMB. HILL: No no, not at all. They are for the specific purpose of providing protection. Similarly we have a private security contract for security guards along the perimeter of our Embassy to protect against truck bombs or that sort of forced entry into our compound.

I want to stress, though, with regard to the damage in Iraq, we have invested, we have provided an enormous amount of funds to Iraq. We've provided funds for reconstruction of facilities that were damaged. We've provided funds for training of their, not only their security forces, but also training of their civilian sector in health care and other things like that.

At some point these need to start coming down and we are getting to the point where some of these outlays are going to start reducing in the coming years. And that's why its very important that the Iraqis pick up the pace in terms of developing their own sources of funds.

REP. LEE: And what about permanent, any military bases? You know we hear

there may be some --

AMB. HILL: No, there has been no discussion of planning of that. Our effort is on full compliance with the security agreement and we think that is the best way to keep faith with the Iraqi people and the best way to open up what we hope will be a very good civilian relationship for years to come.

REP. LEE: Thank you very much and again, congratulations.

REP. ACKERMAN: Ambassador thank you very much for your major contribution to our deliberations and understanding of the issues. On behalf of the committee we all express our appreciation. And I'd like to thank the public for their interest in participation as well on behalf of the entire committee. Hearing is adjourned. Thank you very much.